



Amy G. Rabinowitz
Counsel

March 25, 2004

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: D.T.E. 03-124

Dear Secretary Cottrell:

I am enclosing the responses of Massachusetts Electric Company and Nantucket Electric Company to the Department's Second Set of Information Requests.

Thank you very much for your time and attention to this matter.

Very truly yours,

Amy G. Rabinowitz

cc: Service List

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25 Research Drive
Westborough, MA 01582-0099
Phone 508.389.2975
Fax: 508.389.2463
amy.rabinowitz@us.ngrid.com

Massachusetts Electric Company
Nantucket Electric Company
Docket No. D.T.E. 03-124
Responses to Department's Second Set of Information Requests

DTE 2-1

Request:

Please identify a Website address, if available, for the MACRS tax depreciation rates shown on Exh. MDL-2, at 1, column 1. If a Website address is not available, indicate the source for the depreciation rates and provide a copy of the appropriate page(s).

Response:

The applicable MACRS tax depreciation rates can be found in Publication 946, Table A-1 at the following IRS Website address:

<http://www.irs.gov/publications/p946/13081f02.html>

Prepared by or under the supervision of: Michael D. Laflamme

Massachusetts Electric Company
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DTE 2-2

Request:

Please identify a Website address, if available, for the MACRS tax depreciation rates shown on Exhibit MDL-3, at 1, column 1. If a Website address is not available, indicate the source for the depreciation rates and provide a copy of the appropriate page(s).

Response:

The applicable MACRS tax depreciation rates can be found in Publication 946, Table A-1 at the following IRS Website address:

<http://www.irs.gov/publications/p946/13081f02.html>

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DTE 2-3

Request:

Refer to Exh. MJH-4, renewable energy portfolio compliance plan. The Company estimates its renewable portfolio standards ("RPS") requirement for 2003 to be 173,000 RPS certificates. Please identify:

- (1) the assumed 2003 standard offer service RPS requirement,
- (2) the assumed 2003 default service RPS requirement,
- (3) the actual 2003 standard offer service RPS requirement, and
- (4) the actual 2003 default service RPS requirement.

Response:

- (1) (2) The Company assumed in its compliance plan that the total Standard Offer and Default Service load would be 17.3 million MWh's in 2003. Based on initial loads reported to the ISO for the twelve month period ending October 2003, the Standard Offer load was 13.6 million MWh's and the Default Service load was 4.7 million MWh's.
- (3) Based on final reconciled loads through October 2003 and initial estimated loads for November and December 2003 as reported to the ISO, the Company's 2003 RPS requirement for Standard Offer service is 134,765 REC's.
- (4) Based on final reconciled loads through October 2003 and initial estimated loads for November and December 2003 as reported to the ISO, the Company's 2003 RPS requirement for Default Service is 47,839 REC's.

Prepared by or under the supervision of: Michael J. Hager

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DTE 2-4

Request:

Refer to the direct testimony of Ms. Burns at 8, lines 17-19. How many renewable energy certificates ("REC") were purchased with the \$1.9 million in RPS costs through September 2003?

Response:

The Company purchased 77,559 RECs.

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DTE 2-5

Request:

Has the Company completed its 2003 REC requirement procurement at this time? If yes, please identify the actual cost versus the \$7 million cost identified in the direct testimony of Mr. Hager at 11, line 17.

Response:

The Company has not yet completed its 2003 REC procurement.

The Company currently estimates that it will meet its 2003 Standard Offer REC requirements, including making any applicable Alternative Compliance Payments, at a cost of approximately \$3.5 million.

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DTE 2-6

Request:

Refer to the Company's response to Information Request AG 1-3, Att. 1. Please confirm that the Company's actual transmission expense for September 2002 was \$2,474,957. Also, provide a table identifying the underlying components of this expense.

Response:

The expenses shown on Attachment 1 to the response to Information Request AG-1-3 represent congestion costs billed to Mass. Electric for the period shown. For the month of September 2002, the congestions costs were \$2,474,957 for Mass. Electric and \$12,623 for Nantucket Electric, totaling \$2,487,580, as shown in Line 12 of Attachment 1 to the response to Information Request AG-MECO-1-3.

The Company understands the confusion as to what the costs in Attachment 1 represent, as the title on the attachment is "Summary of Actual Transmission Expenses". This title is incorrect and should be "Summary of Actual Congestion Costs", as is indicated in the text of the response to Information Request AG-MECO-1-3.

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DTE 2-7

Request:

Refer to G.L. c. 25, § 20(c). Has the Company approached the Massachusetts Technology Park Corporation for funding of the costs associated with the development and operation of the New England Generation Information System? If yes, please document the outcome. If no, please discuss the rationale for that decision.

Response:

The Company has not approached the Massachusetts Technology Park Corporation for funding of the costs associated with the development and operation of the New England Generation Information System.

During the development of the New England Generation Information System, representatives of NEPOOL approached various state agencies, including the Massachusetts Technology Park Corporation, for funding to support the costs of the system. No such funding was available.

Prepared by or under the supervision of: Michael J. Hager

DTE 2-8

Request:

Refer to the direct testimony of Mr. Hager at 16, line 5-7.

- (1) Have these suppliers implemented contracts identically within the NEPOOL market system?
- (2) Please describe how the contracts associated with these suppliers were implemented in the NEPOOL market system.

Response:

- (1) No. Each supplier has implemented its contract within the NEPOOL market system in a different way.
- (2) One supplier has implemented its contract using an Ownership Share registration method. One supplier has implemented its contract using Internal Bilateral contracts for Load (IBL) in either the Day Ahead or Real Time markets with the IBLs being implemented at a single settlement location. One supplier has implemented its contract using Internal Bilateral Transactions (IBT) for Energy with the IBTs being in either the Day Ahead or Real Time markets and implemented at a multiple settlement locations.

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DTE 2-9

Request:

Refer to the direct testimony of Mr. Hager at 16, line 7-10. Please verify that Exh. MJH-7 summarizes the total effect of the "modest increase" for the March through September 2003 period. If not, please quantify the effect of the "modest increase".

Response:

Yes, Exhibit MJH-7 summarizes the total effect of the "modest increase" for the March through September 2003 period. The total cost incurred under the applicable contracts for the period May 2003 through September 2003, as of the October 10, 2003 billing date, was approximately \$42.5 million.

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DTE 2-10

Request:

Refer to the direct testimony of Mr. Hager at 19, line 21, please identify all situations the term "otherwise" is meant to cover.

Response:

The term "otherwise" was included in the event a dispute resolution was or could be achieved through a means other than obvious means of arbitration or settlement. The Company did not and does not have any other specific means in mind when it included the term.

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